



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



JUNE 26, 2001

U.S. Soybeans Affected By Aphids. Scientists are still uncertain about the effects that a recently discovered insect is going to have on this year's soybean crop. Believed to have been introduced into the United States on imported ornamental plants from Asia and discovered late last summer, the aphids have reportedly been colonizing in soybean fields across the Midwest. They have been found in Michigan, Wisconsin, Minnesota, Iowa, and parts of Illinois. Iowa and Illinois are the two highest producing soybean States, with a combined annual production of over 900 million bushels, based on 1999 production data. The United States is the world leader in soybean production, with Brazil a distant second.

The soybean has had a reputation for having few natural enemies, allowing many producers to avoid using insecticides. Compared to the insect problems associated with corn and cotton, soybeans have become a particularly appealing crop for producers. The newly discovered aphids, however, reproduce at an extremely rapid rate, multiplying 18 generations in one season. "They are reproductive machines," according to Kevin Steffey, an entomologist at the University of Illinois in Urbana. An infested field can easily lose a quarter of its crop potential. Besides the Asian aphid, high populations of other pests are also showing the potential for causing significant damage. Armyworms, for example, have been reported in near-historic proportions in parts of Indiana, Illinois, and Missouri, destroying some pastures and wheat fields. In addition, the Forest Tent caterpillar is attacking trees in Wisconsin, while grasshoppers and crickets are inundating the rural parts of Utah and Nevada. It should be noted, however, that there are populations of beneficial insects, such as certain butterflies, which are more numerous. (*Wall Street Journal*, 6/26, <http://www.amsoy.org/soystats>)

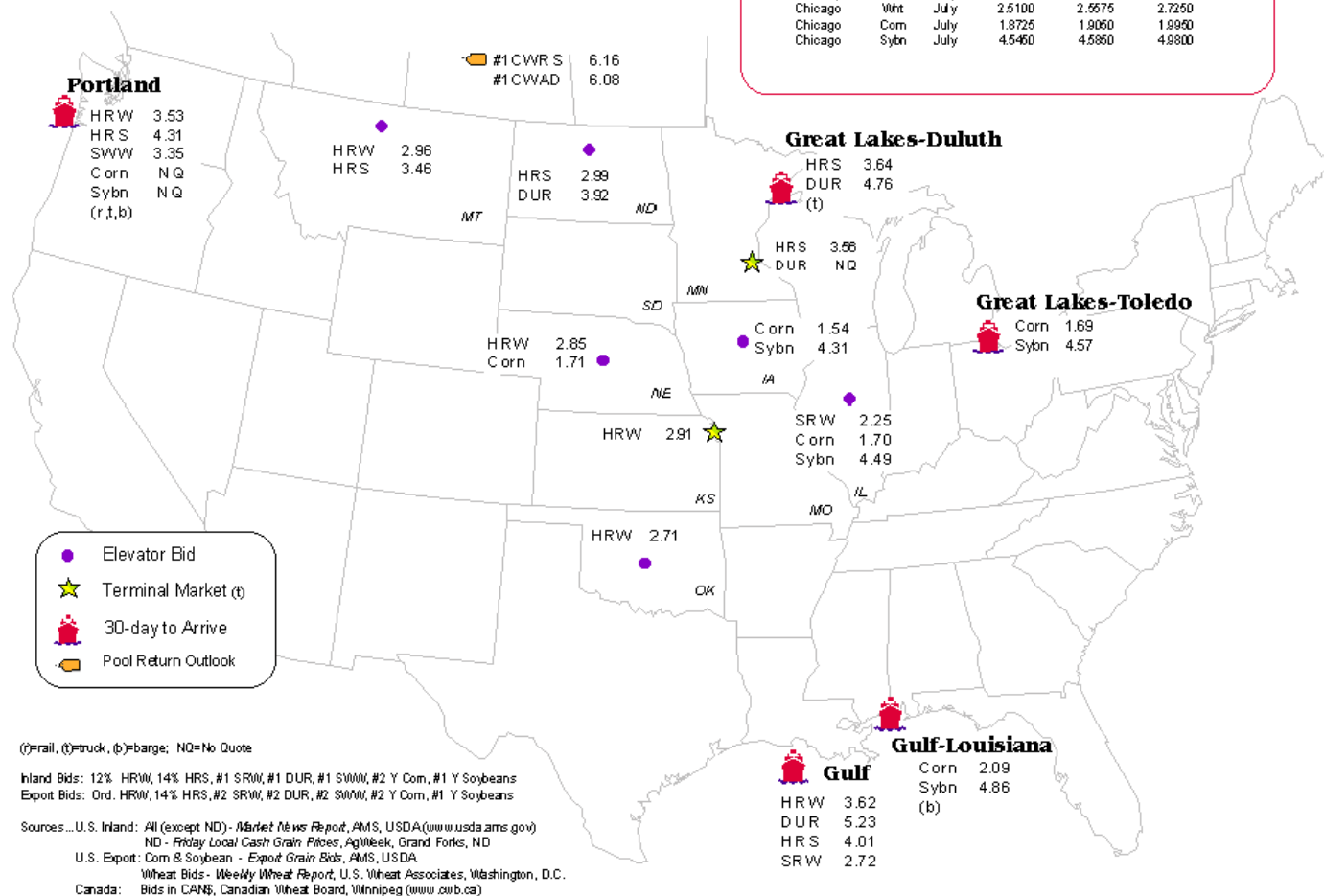
Farm Exports Drop In April. U.S. farm exports dropped to \$4.29 billion in April, a monthly decline of \$586 million, according to U.S. Department of Commerce data. Year-to-date figures, however, remained substantially above those of last year, despite the monthly drop. Monthly and year-to-date agricultural imports, on the other hand, decreased only slightly. Also, though commodities such as corn, soybeans, cotton, rice, and animal feed shipments contributed to the monthly export drop, wheat shipments moved in a positive direction. Wheat exports increased to \$295 million, an increase of \$44 million when compared to March figures. U.S. farm exports are important since they contribute to roughly one quarter of total U.S. farm receipts. (*Reuters* 6/21)

Rail Improvement Project Announced. A \$4.2 million agreement to rehabilitate 78 miles of track in eastern Iowa was recently announced by the Iowa Interstate Railroad Ltd. (IAIS), the Burlington Northern Santa Fe Railway (BNSF), and the Iowa Department of Transportation (Iowa DOT). The project, which will begin this month and is scheduled to be completed later this year, will allow IAIS to handle multiple railcars weighing up to 286,000 pounds to and from connections with BNSF and other railroads. It includes \$1.9 million for new crossties, \$1.2 million for ballast, and \$1.1 million for rail and bridge improvements and related items. The improvements are funded in part by the Iowa Rail Revolving Loan Fund administered by the Iowa DOT. The fund was approved by the Iowa legislature in 1998 to assist in the restoration, conservation, improvement and construction of railroad main lines, branch lines, switching yards, sidings, rail connections, intermodal yards, highway grade separations and other improvements.

The IAIS, headquartered in Iowa City, operates over 500 miles of track between Omaha, NE, and Chicago, IL, on the former Chicago, Rock Island, and Pacific mainline, with a branch line from Bureau to Peoria, IL. It transports primarily grain, agricultural products, and other items, including chemicals and forest products. BNSF, on the other hand, operates 33,500 miles of track in North America, making it one of the largest rail networks and the largest grain hauling railroad. (*PRNewswire, NewsEdge Corporation* 6/19)

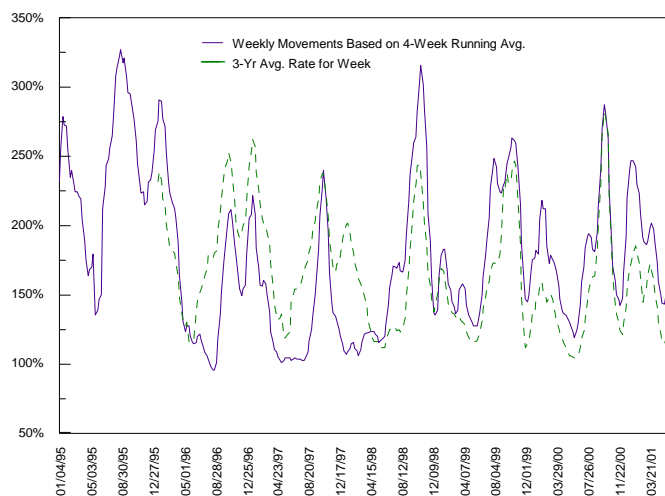
Legislation Introduced To Delay Mexican Truck Access. Members of the House of Representatives recently introduced a resolution (HR152), urging the administration to delay granting Mexican truckers authority to operate in the United States beyond a 20-mile commercial zone until the President certifies that Mexican carriers are able and willing to comply with U.S. motor carrier safety and environmental laws. The resolution also seeks to certify: 1) adequate enforcement of safety and environmental laws at the U.S. Mexican border and in each State and 2) that granting operating authority for Mexican truckers will not endanger the health, safety, and welfare of U.S. citizens. For years, cross-border operations have denied Mexican haulers access to the U.S. market because of concerns about the safety of Mexican carriers. However, earlier this year, a North American Free Trade Agreement arbitration panel ruled in favor of Mexican truckers by permitting cross-border operations; hence, the Department of Transportation is developing implementation to allow Mexican trucks access to U.S. roads and highways. Cross-border trucking was discussed at a June 4 meeting between Secretary Veneman and the Agricultural Transporters Conference, a trucking association. (USDA, Transportation and Marketing Division, Marketing and Transportation Analysis, James.DelCiello@usda.gov)

Grain Bid Summary

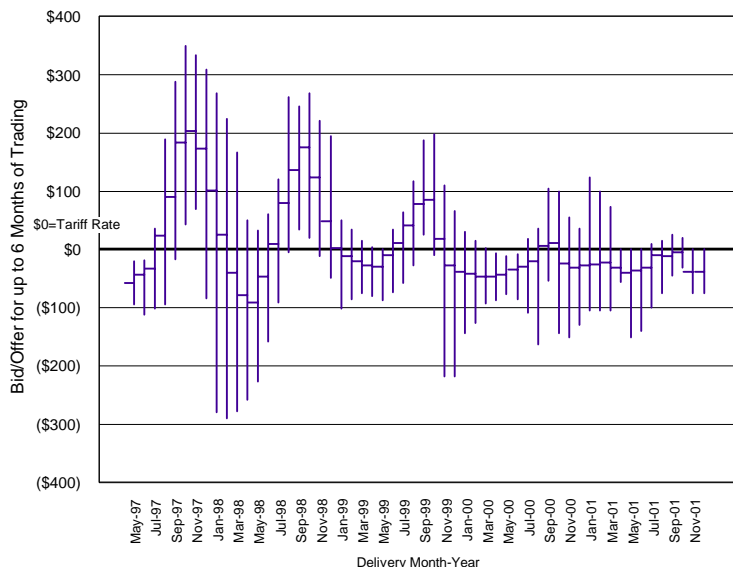


Spot Barge Rate - Illinois River

Index - Percent of Tariff Rate



Secondary Rail Market Bids



Rail Car 'Auction' Offerings				
Delivery for:	Jun-01		Aug-01	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	12,000	6%	12,286	27%
UP-GCAS	5,400	0%	5,400	1%
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Jun-01	Jul-01	Aug-01	Sep-01
BNSF-GF	\$25	\$12	\$19	\$28
UP-Pool	\$0	\$(14)	\$(15)	\$(12)

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.; GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Jul-01	Aug-01	Sep-01
COT/N. Grain	\$1	no bid	no bid
COT/S. Grain	\$0	\$1	\$0
GCAS/Region 2	no bid	no offer	no offer
GCAS/Region 4	no bid	no offer	no offer

Source: T&M/AMS/USDA. Data from www.bnsf.com, www.uprr.com, (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Southbound Barge Freight Nominal/Cash Basis Values

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
06/26/01	St. Louis	Jul	135	135
		Sept	196	205
		Nov	160	165
		Jan	133	143
		Mar	140	0
	Illinois River	Jul	165	173
		Sept	225	230
		Nov	190	185
		Jan	0	195
		Mar	0	0

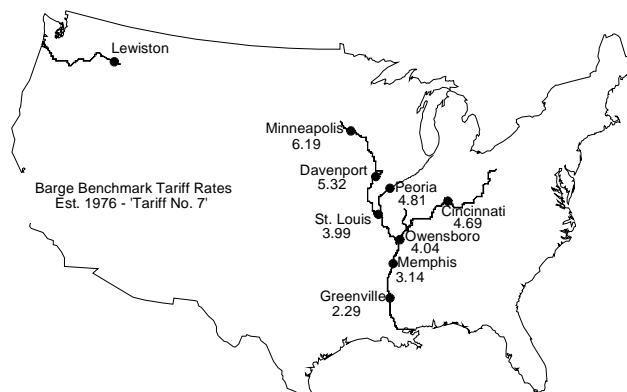
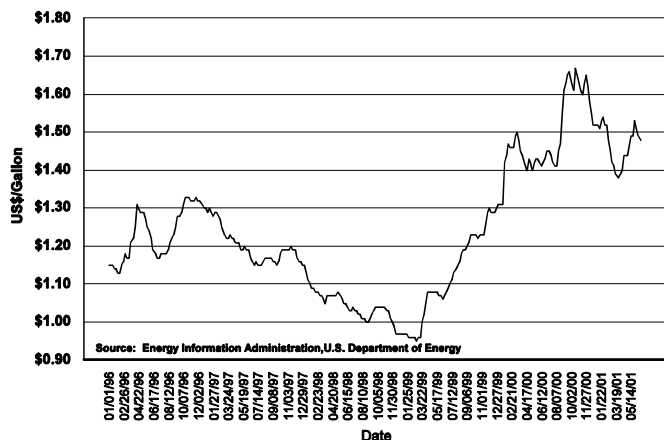
Source: St. Louis Merchants Exchange

Southbound Barge Freight Spot Rates

	6/20/01	6/13/01	July '01	Sept '01
Twin Cities	213	227	220	264
Mid-Mississippi	183	195	183	240
Illinois River	168	180	174	234
St. Louis	133	143	146	205
Lower Ohio	128	134	148	233
Cairo-Memphis	125	135	137	200

Source: Transportation & Marketing /AMS/USDA
nq=no quote;

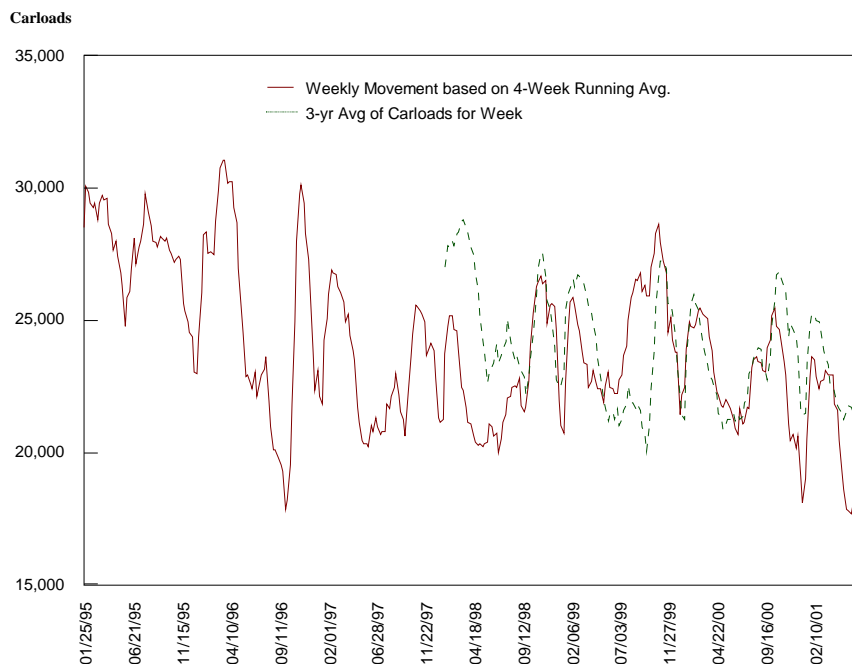
Weekly Retail Diesel (Road) Prices (Including Taxes)



Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
06/02/01	17,599
06/09/01	18,243
06/16/01	19,131
Year to Date - 2001	503,718
Year to Date - 2000	562,228
Total 2000	1,188,917
Total 1999	1,270,375

Source: Association of American Railroads



Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated

			East			West		Canada	
	Conrail	CSXT	IC	NS		BNSF	KCS	UP	CN CP
06/16/01	0	2,842	0	3,028	6,817	443	6,001	4,732	4,396
This Week Last Year	0	2,379	1,734	3,321	6,552	327	6,963	2,047	4,344
2001 YTD	0	73,847	0	74,427	188,101	10,678	156,665	116,155	106,605
2000 YTD	0	68,092	42,653	70,991	186,334	13,537	180,621	64,616	106,873
2000 Total	0	147,708	70,155	153,905	425,849	26,515	364,785	160,749	239,670
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381	206,328

Source: Association of American Railroads

Tariff Rail Rates for Unit Train Shipments

June 2001

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
06/11/01	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
06/11/01	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
06/11/01	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
06/11/01	43586	Wheat	Kansas City, MO	Portland, OR	\$4,240	\$46.74	\$1.27
06/11/01	43581	Wheat	Omaha, NE	Portland, OR	\$3,905	\$43.04	\$1.17
06/11/01	31040	Corn	Minneapolis, MN	Portland, OR	\$2,900	\$31.97	\$0.81
06/11/01	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
06/11/01	31040	Corn	Omaha, NE	Portland, OR	\$2,700	\$29.76	\$0.76
06/11/01	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,680	\$29.54	\$0.80
06/11/01	61180	Soybean	Omaha, NE	Portland, OR	\$2,430	\$26.79	\$0.73
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

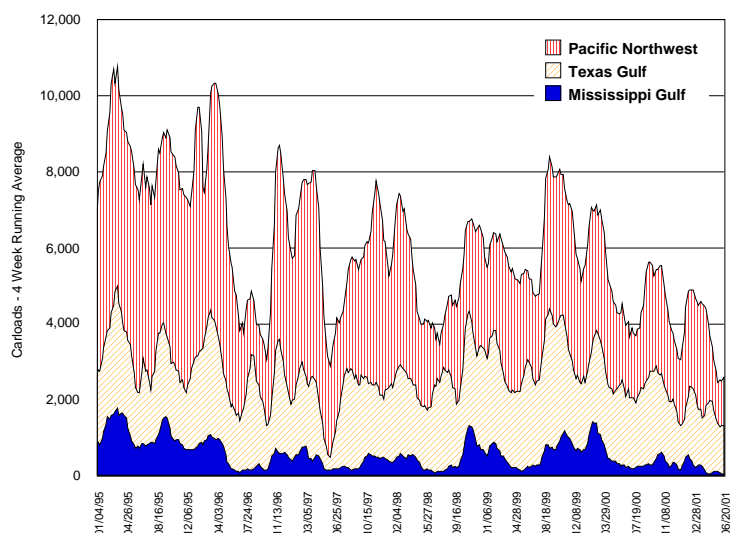
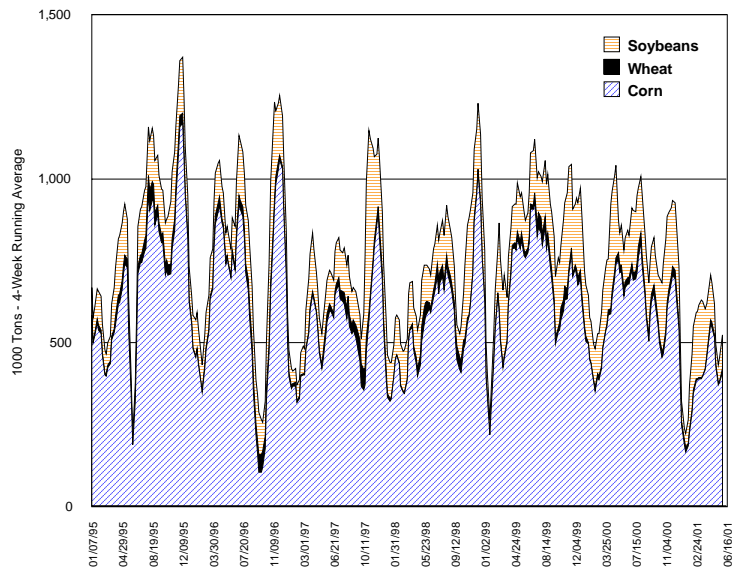
Rail Deliveries to Port**Carloads**

	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
05/16/01	183*	1,211	1,103	196
05/23/01	78*	1,228	1,400	390
05/30/01	123*	1,088	530	31
06/06/01	8*	1,165**	1,923	152
06/13/01	2*	1,607**	825*	55
06/20/01	103*	1,142	1,791	102
YTD 2001	5,200*	37,922**	52,240*	13,732
YTD 2000	17,138	51,587	68,248	7,382
Total 2000	25,675	105,308	129,464	14,816
Total 1999	30,038	132,069	161,492	14,446

Source: Transportation & Marketing/AMS/USDA

(*) Incomplete Data

(**) Revised Data

Rail Deliveries to Port**Barge Movements - Locks 27****Barge Grain Movements**

for week ending 6/16/01

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	350	15	77	447
Winfield, MO (L25)	596	17	143	761
Alton, IL (L26)	833	42	209	1,108
Granite City, IL (L27)	897	42	205	1,168
Illinois River (L8)	206	16	54	299
Ohio (L52)	38	6	10	57
Arkansas (L1)	0	29	4	33
2001 YTD	11,772	871	4,354	17,964
2000 YTD	14,823	913	4,204	20,788
Total 2000	33,482	2,518	10,327	48,247
Total 1999	36,711	2,883	9,771	51,887

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers; n/a—not available

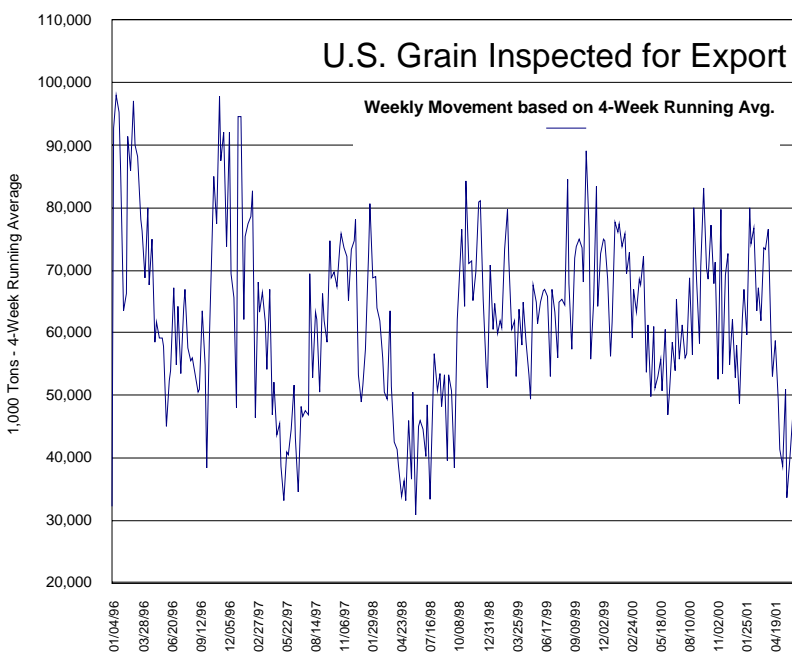
U.S. Export Balances (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
06/14/01	854	540	815	418	217	2,844	7,603	2,823	13,270
This Week Year Ago	1,218	744	724	586	255	3,526	8,079	2,718	14,323
<u>Cumulative Exports-Crop Year</u>									
00/01 YTD	294	145	142	125	31	738	35,177	24,620	60,535
99/00 YTD	383	162	253	107	1	906	38,270	17,713	56,889
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

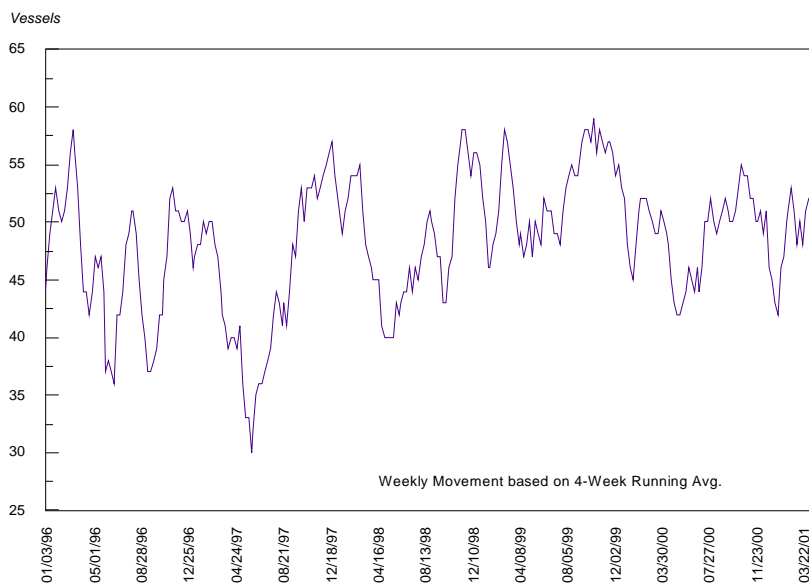
Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
06/21/01	134	120	30	145	863	203	114	2	0
2001 YTD	4,767	2,166	1,246	2,613	14,928	8,042	2,618	165	780
2000 YTD	4,536	3,510	689	2,842	15,773	8,523	3,036	169	776
% of Last Year	48%	24%	109%	36%	41%	52%	30%	30%	52%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

Source: Federal Grain Inspection Service YTD-Year-to-Date

**Select Canadian Ports - Export Inspections**
1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 6/14/01			
Vancouver	5,107	450	1,151
Prince Rupert	2,053		2
Prairie Direct	1,091	307	448
Thunder Bay	672	229	75
St. Lawrence	2,255	1,929	26
2000 YTD Exports	11,178	2,915	1,702
1999 YTD Exports	12,477	3,008	1,523
% of Last Year	90%	97%	112%



**Gulf Region
Vessels Loaded
- Past 7 Days-**

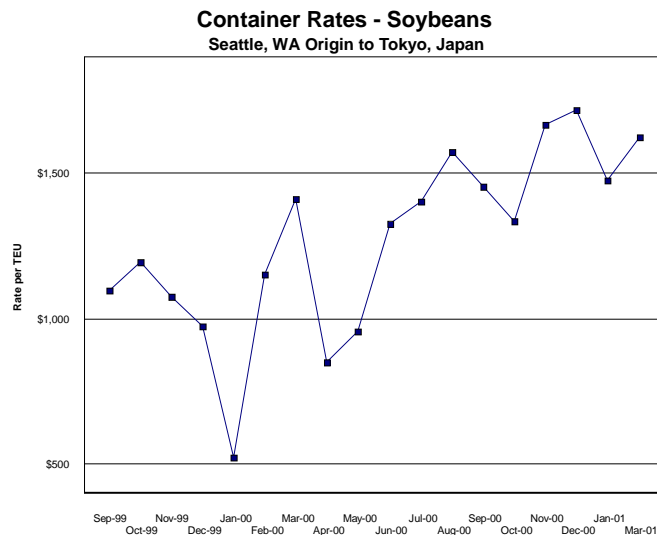
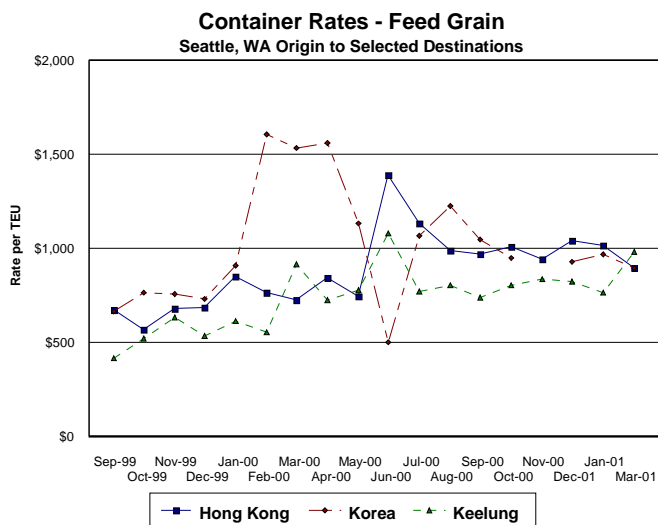
Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
06/14/01	45	32	64	4			11	8	1
06/21/01	26	55	46	6			13	4	3
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	65				9	9	3
1998 Avg	40	48	61				10	9	3
1997 Avg	33	45	58						

Source: Transportation & Marketing /AMS/ USDA

Container Ocean Freight Rates

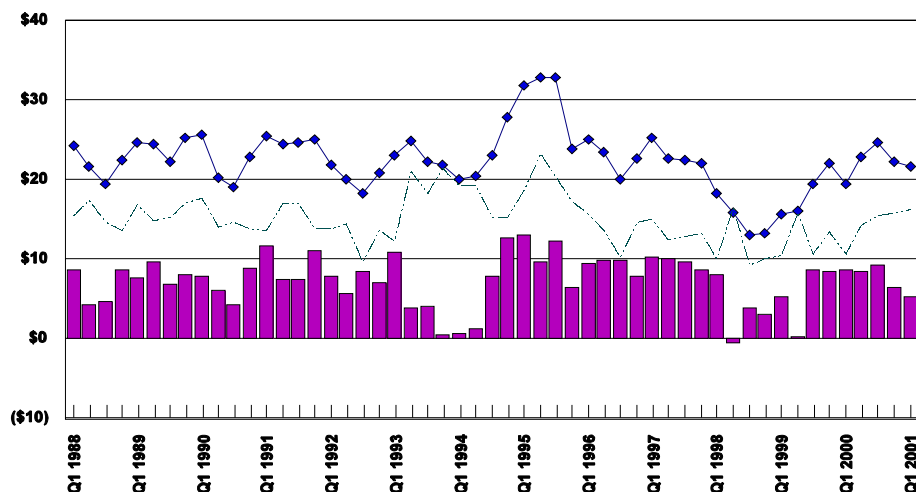
Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share



Source: Transportation & Marketing/AMS/USDA

◆ Rate - Gulf to Japan
 --- Rate - PNW to Japan
 ■ Spread - Gulf vs. PNW to Japan

US\$/Metric Ton



Quarterly Ocean
Freight Rates

Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	2001 1 st Qtr	2000 1 st Qtr	% Change		2001 1 st Qtr	2000 1 st Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$21.70	\$21.15	3%	Japan	\$16.36	\$19.93	-18%
Mexico		\$14.39		Red Sea/ Arabian Sea		\$21.38	
Venezuela	\$13.53	\$11.29	20%				
N. Europe	\$15.19	\$14.25	7%	Argentina to			
N. Africa	\$26.25	\$18.40	43%	N. Europe	\$16.47	\$17.67	-7%
				Japan	\$30.51	\$27.23	12%

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates (Select Locations) - week ending 6/23/01

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Windsor (Can.)	Algeria	Meals	Jul 1/5	15,000	\$38.00
Duluth	Algeria	Heavy Grain	Jul 5/15	15,000	\$35.00
Great Lakes	Algeria	Heavy Grain	Jul 1/5	18,000	\$28.00
Gulf	Rotterdam	Grains	Prompt	25,000	\$18.00
Gulf	Syria	Corn	Jun 25/Jul 5	35,000	\$19.00
PNW	Taiwan	Heavy Grain	Jun 23/Jul 5	60,000	\$12.40
Parana River	Pakistan	Soybeans	Prompt	18,000	\$36.00
N. France	Morocco	Heavy Grain	Jun 27/30	25,000	\$12.25
Vietnam	Baltic (3 pts.)	Rice (Bagged)	Jun 25/30	14,000	\$41.50

Source: Maritime Research Inc.; rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated;

op=option